

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
03-011

2. STATE
Pennsylvania

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)
Title XIX

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447 Subpart C

7. FEDERAL BUDGET IMPACT:

a. FFY 2003 \$ 0

b. FFY 2004 \$ 105,226,000.00 / 5

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A Pages 2a, 20, 21 and 21a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19A Pages 2a, 20, 21 and 21a

10. SUBJECT OF AMENDMENT: Elimination of Direct Medical Education, Community Access Fund, Outpatient Disproportionate Share Payments to Hospitals and the elimination of the additional class of disproportionate share payments to hospitals that advanced the Department's goal of enhanced access to multiple types of medical care in economically distressed areas of the Commonwealth.

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11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Review and approval authority has
been delegated to the Department of
Public Welfare

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Estelle B. Richman

13. TYPED NAME:

Estelle B. Richman

14. TITLE:

Secretary of Public Welfare

15. DATE SUBMITTED:

SEP 29 2003

16. RETURN TO:

Commonwealth of Pennsylvania

Department of Public Welfare

Office of Medical Assistance Programs

Bureau of Policy, Budget and Planning

PO Box 8046

Harrisburg, Pennsylvania 17105

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

SEP 30 2003

18. DATE APPROVED:

MAY 26 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL - 1 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

Charlene Brown

21. TYPED NAME:

Charlene Brown

22. TITLE:

Deputy Director, CM SO

23. REMARKS:

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES-INPATIENT HOSPITAL CAREPart V. Aggregate Limits to Inpatient Disproportionate Share, Outpatient Disproportionate Share and Direct Medical Education

For the period July 1, 1997 through June 30, 1998, the Department shall distribute to providers that are eligible for direct medical education payments and/or disproportionate share payments including outpatient disproportionate share, the aggregate annualized amount of \$175 million.

For the period July 1, 1998 through June 30, 1999, the Department shall distribute to providers that are eligible for direct medical education payments and/or disproportionate share payments including outpatient disproportionate share, the aggregate annualized amount of \$175 million.

For the period July 1, 1999 through December 31, 1999, the Department shall distribute to providers that are eligible for direct medical education payments and/or disproportionate share payments, including outpatient disproportionate share, the aggregate amount of \$87.5 million.

For the period January 1, 2000 through June 30, 2000, the Department shall distribute to providers that are eligible for direct medical education and/or disproportionate share payments, including outpatient disproportionate share, the aggregate amount of \$91 million.

For the period July 1, 2000 through June 30, 2001, the Department shall distribute to providers that are eligible for direct medical education and/or disproportionate share payments, including outpatient disproportionate share, the aggregate annualized amount of \$182.784 million.

For the period July 1, 2001 through December 31, 2001, the Department shall distribute to providers that are eligible for direct medical education and/or disproportionate share payments, including outpatient disproportionate share, the aggregate amount of \$91.392 million.

For the period January 1, 2002, through June 30, 2002, the Department shall distribute to providers that are eligible for direct medical education and/or disproportionate share payments, including outpatient disproportionate share, the aggregate amount of \$98 million.

For the period July 1, 2002, through June 30, 2003, the Department shall distribute to providers that are eligible for direct medical education and/or disproportionate share payments, including outpatient disproportionate share, the aggregate annualized amount of \$197.217 million.

For the period July 1, 2003 through June 30, 2004, the Department shall distribute to providers that are eligible for direct medical education and/or disproportionate share payments, including outpatient disproportionate share, the aggregate annualized amount of \$ 198.198 million.

Outpatient Disproportionate Share

The Department will make quarterly outpatient disproportionate share payments to those hospitals that meet the inpatient disproportionate share eligibility criteria as of July 1, 1994, and which continue to be eligible for outpatient disproportionate share payments. The Department determines each eligible hospital's percentage of the Department's expenditures made to all eligible outpatient disproportionate share hospitals for outpatient services. The Department calculates each eligible hospital's outpatient disproportionate share payment by applying this percentage to the total amount of funds available for purposes of making outpatient disproportionate share payments, subject to the limitations set forth in Attachment 4.19A, Part V.

TN# 03-011

Supersedes

TN# 02-004Approval Date MAY 26 2004Effective Date July 1, 2003